Expedited Bi	II No	40-06
Concerning:	Cable	Communications-
_	Amend	ments
Revised:		Draft No.
Introduced:	Septe	ember 19, 2006
Expires:	Marc	h 19, 2008
Enacted:		
Executive: _		
Effective:		
Sunset Date	: <u> </u>	
Ch I	aws of N	Mont Co

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive.

AN EXPEDITED ACT to:

- (1) assure that the cable communications law is consistent with federal and state law;
- (2) clarify the scope of the communications cable law; and
- (3) generally amend the cable communications law.

By amending

Montgomery County Code

Chapter 8A, Cable Communications

Sections 8A-2, 8A-3, 8A-7, 8A-8, 8A-9, 8A-10, 8A-11, 8A-12, 8A-14, 8A-15, 8A-18, 8A-20, 8A-22, 8A-23, 8A-24, 8A-25, 8A-26, 8A-29, and 8A-31A

The County Council for Montgomery County, Maryland approves the following Act:

- 1 Section 1. Sections 8A-2, 8A-3, 8A-7, 8A-8, 8A-9, 8A-10, 8A-11, 8A-12,
- 2 8A-14, 8A-15, 8A-18, 8A-20, 8A-22, 8A-23, 8A-24, 8A-25, 8A-26, 8A-29, and
- 3 8A-31A of the County Code are amended as follows:
 - 8A-2. Intent and purposes.

It is the intent of the County to promote the public health, safety and general welfare by providing for the grant of one or more franchises for the construction and operation of a cable system; to provide for the regulation of each cable system by the County in accordance with federal and state law; to provide for the payment of fees and other valuable consideration by a franchisee to the County for the privilege of using the public rights-of-way for constructing and operating a cable system; to promote the widespread availability of cable and other communications service to County residents and businesses wherever economically feasible, including to those who reside in multifamily buildings and in rural communities; to encourage the development of cable as a means of communication between and among the members of the public and public institutions; and to encourage the provision of diverse information to the community over cable.

8A-3. Definitions.

In this Chapter, the following words and phrases have the meanings indicated in this Section.

20 * * *

Cable System means a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is [designated] designed to provide cable service which includes video programming and which is provided to multiple subscribers within the County. This term does not include:

(1) a facility that serves only to retransmit the television signals of one or more television broadcast stations;

28	(2) [a facility that serves only subscribers in one or more multiple
29	unit dwellings under common ownership, control or
30	management, unless such facility uses any public right-of-way]
31	a facility that serves subscribers without using any public right-
32	<u>of-way;</u>
33	(3) a facility of a common carrier that is subject, in whole or in
34	part, to the provisions of Title II of the Communications Act of
35	1934, except that the facility will be considered a cable system
36	to the extent that it is used in the transmission of video
37	programming directly to subscribers, unless the extent of such
38	use is solely to provide interactive on-demand services; [or]
39	(4) an open video system that complies with federal law; or
40	[(4)] (5) any facilities of any electric utility used solely for operating
41	its electric utility systems.
42	* * *
43	Complaint means a complaint [concerning] related to the provision of
44	cable service [or any other product or service].
45	Control of a franchisee or applicant means the legal or practical
46	ability to [direct] exert actual working control over the affairs of the
47	franchisee or applicant either directly or indirectly, whether by
48	contractual agreement [or], majority ownership of an [economic]
49	interest, any lesser ownership interest, or in any other manner.
50	* * *
51	[Franchise agreement means a contract entered into in accordance
52	with the provisions of this Chapter between the County and a
53	franchisee that sets forth the terms and conditions under which the
54	franchise will be exercised.]

* * *

Gross revenues means all of a cable operator's revenues derived [by a franchisee] from the operation of [its] the cable system to provide cable services [in the County, including revenues derived from cable service, home shopping channels, institutional services, rental or lease of equipment, installation fees, or ancillary services].

[Institutional services means video, audio, data, and other transmission services provided by a franchisee to institutional users on an individual application, private channel basis, including two-way video, audio, or digital signals among institutions, or from institutions to residential subscribers.]

* * *

[Other product or service means any product or service that is not a cable service but uses any facility or equipment constructed, installed, maintained, operated, or occupying the public rights-of-way under a franchise issued under this Chapter, notwithstanding how the service or product is characterized or regulated under federal law. Other product or service may include one-way or interactive video, audio, data (including cable modem), and information services.]

* * *

Subscriber means [any person who legally receives any cable service or other product or service provided by a franchisee, but does not include persons who receive not more than two channels of non-commercial closed circuit video service which is not made available to the general public.] the County or any person who is lawfully receiving, for any purpose or reason, any cable service via a cable system, whether or not a fee is paid for that service.

82		* * *
83	Trans	fer of a franchise means any transaction in which:
84	(1)	an ownership or other interest in a franchisee is transferred,
85		directly or indirectly, from one person or group of persons to
86		another person or group of persons so that control of the
87		franchisee is transferred; or
88	(2)	the rights held by the franchisee under a franchise agreement
89		are transferred or assigned to another person or group of
90		persons.
91	<u>(3)</u>	The following transactions do not constitute a transfer of a
92		franchise:
93		(A) A transaction among or between affiliates if:
94		(i) the initial franchisee provides an unconditional
95		guarantee of performance by the new franchisee in
96		<u>a form acceptable to the County before the</u>
97		transaction closes;
98		(ii) the transferee agrees, in writing, before the
99		transaction closes, that it will abide by and accept
100		all terms of the franchise agreement and this
101		Chapter, and that it will assume the obligations,
102		liabilities, and responsibility for all acts and
103		omissions, known and unknown, of the previous
104		franchisee under the franchise agreement and this
105		Chapter for all purposes, including renewal;

106	(iii) the initial franchisee has no uncured defaults from
107	the time of the notice through the date of closing of
108	the transaction; and,
109	(iv) the initial franchisee has provided the County at
110	<u>least 90 days notice and has responded completely</u>
111	to all information requests from the County;
112	(B) A sale of ownership or other interest in an entity
113	controlling a franchisee, either directly or indirectly,
114	<u>unless</u> <u>the</u> <u>sale</u> <u>occurs</u> <u>before</u> <u>the</u> <u>franchisee</u> <u>has</u>
115	completed build-out of its cable system as promised in
116	the franchise agreement;
117	(C) A transfer in trust, by mortgage, by other hypothecation,
118	or by assignment, of any right, title, or interest of a
119	franchisee in the franchise or cable system in order to
120	secure indebtedness.
121	Transfer of interest in a franchisee means the sale or transfer, directly
122	or indirectly, of an existing or newly created equity interest in the
123	franchisee that does not result in a transfer of control of the
124	franchisee.
125	The following transactions do not constitute a transfer of an interest if
126	the franchisee responds completely to all information requests from
127	the County:
100	
128	(1) A transaction among or between affiliates;

129		<u>(2)</u>	A sale of ownership, or other interest, in an entity controlling
130			the franchisee, either directly or indirectly; or,
131		<u>(3)</u>	A transfer in trust, by mortgage, by other hypothecation, or by
		(3)	
132			assignment, of any right, title, or interest of the franchisee in the
133			<u>franchise</u> <u>or cable</u> <u>system in order to secure indebtedness.</u>
134			* * *
135	8A-8. Appl	licatio	n [for] to grant, [renewal, modification,] renew, modify, or
136	transfer [o	f] a fr	anchise.
137			* * *
138	(c)	A pe	erson may apply for a new franchise in response to the County's
139		requ	est for proposals or on an unsolicited basis. The County may
140		issue	a request for proposals when the County receives an unsolicited
141		appli	cation or at any other time. If the County elects to issue a request
142		for p	proposals after receiving an unsolicited application, the applicant
143		may	submit an amended application in response to the request for
144		prop	osals, may inform the County that its unsolicited application
145		shou	ld be considered as its response to the request for proposals, or
146		may	withdraw its unsolicited application. The County may reject
147		[with	nout further consideration] an application that is unresponsive to a
148		requi	irement of a request for proposals.
149	(d)	An	application for a new franchise must contain the following
150		infor	rmation:
151		(1)	Identification of the persons who own or control the applicant,
152			including:
153			* * *

154		[(8)	A des	criptic	on of th	ne serv	vices	to be	provide	d initia	ally, incl	luding
155			all br	oadcas	st and	non-b	roado	east si	ignals to	be c	arried a	nd all
156			non-te	elevisi	on serv	vices, a	and it	f serv	ices wil	l be of	fered by	tiers,
157			identi	ficatio	n of th	e sign	als o	r serv	ices, or	both, t	to be inc	cluded
158			on eac	ch tier.	.]							
159		[(9)	The p	ropose	ed rate	structi	ure, i	nclud	ing cha	rges for	r each s	ervice
160			tier, in	nstalla	tion, co	onverte	ers, a	nd oth	er equip	oment o	or servic	es.]
161		[(10)]	<u>(8)</u>	*	*	*						
162		[(11)]	<u>(9)</u>	*	*	*						
163		[(12)]	<u>(10)</u>	*	*	*						
164		[(13)]	(11) I	f an ap	plican	t prop	oses	to cor	istruct a	cable	system	which
165			would	d cons	titute	an ove	erbuil	ld, th	e identi	ficatio	n of the	e area
166			where	the o	verbuil	ld wou	ld oc	cur[,]	and the	poten	tial subs	criber
167			densit	y in th	he area	a to be	e serv	ed by	compe	eting ca	able sys	tems[,
168			and o	ther i	nforma	ation n	neces	sary 1	for the	County	y to ma	ke its
169			deterr	ninatio	on unde	er secti	ion 8.	A-9(e)].			
170		[(14)]	<u>(12)</u>	*	*	*						
171		[(15)]	(13)	Any	other	info	rmati	on 1	necessar	y to	demoi	ıstrate
172			comp	liance	with the	his Ch	apter	[, and	l any of	her inf	formatio	n that
173			the Co	ounty 1	request	s from	the a	applic	ant].			
174	(e)	An aj	pplicat	ion to	modi	fy a f	rancl	nise a	greeme	nt mus	st includ	de the
175		follow	ving in	forma	tion:							
176						*	*	*				
177		(4)	Any	other	inform	nation	nece	ssary	for the	e Cour	nty to	decide
178			wheth	er [to	o app	rove	the	modi	fication] <u>the</u>	<u>modifi</u>	cation
179			comp	<u>lies</u> wi	th Cou	nty lav	<u>w</u> .					
180						*	*	*				

(i)	Within 10 business days after receiving an application for a new
	franchise for an overbuild, the County Executive must [decide
	whether to accept or reject the application for filing] determine
	whether the application is complete under subsection (d). If the
	application is complete, the Executive must accept it for filing. If the
	application is not complete, the Executive must specify the additional
	information required under subsection (d) before the application can
	be accepted for filing.

(1) If the Executive rejects the application for filing, the [Executive must specify the additional information required to accept the application for filing. The] applicant may resubmit or supplement the application with the additional information, and the Executive must reconsider, within the 10-day deadline starting on the date of resubmission, whether the application is [acceptable for filing] complete under subsection (d).

* * *

[This subsection] Acceptance of an application as complete for filing does not limit the Executive's authority to request additional information [later] related to the criteria in Section 8A-9(e), or to recommend, [based on any grounds] after full review of the application, that the Council deny the application based on those criteria.

* * *

8A-9. Grant of Franchise.

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(e) In evaluating an application for a new franchise, the County must consider:

208			* * *
209		(3)	the nature of the proposed facilities[,] and equipment[, and
210			services];
211			* * *
212	(k)	(1)	When the Executive submits a proposed franchise agreement to
213			the Council for approval, the Council may, within the
214			applicable time provided in Section [8A-29(d)] <u>8A-28(d)</u> :
215			* * *
216			(B) grant the franchise with conditions [, which may modify
217			or override any provision of the proposed franchise
218			agreement] that the Council finds are necessary to assure
219			that the franchise complies with County law;
220			* * *
221		(2)	If the Executive [proposed] proposes to deny the franchise
222			application or cannot reach agreement with the applicant on a
223			proposed franchise agreement within the time specified in
224			subsection (h), the Executive immediately must recommend to
225			the Council that the Council deny the application and explain
226			the reasons for the recommendation. The Council may, within
227			the applicable time provided in Section [8A-29(d)] <u>8A-28(d)</u> :
228			* * *
229			(C) grant the franchise with any conditions that the Council
230			determines are necessary [to protect and promote the
231			public interest] to assure that the franchise complies with
232			County law.
233	(1)	Ever	ry franchise grant is subject to a franchise acceptance fee in an
234		amo	unt [that does] not to exceed the County's costs to consider the

235		application, less the amount of the filing fee. The County's costs
236		include time spent by County employees and officials to review,
237		negotiate, and approve the franchise agreement, and fees paid to
238		attorneys, experts, and other consultants. Within 30 days after the
239		Council grants a franchise under this Chapter, the County must notify
240		the approved applicant of the amount of the franchise acceptance fee
241		and how the County calculated the amount. If the approved applicant
242		does not pay the franchise acceptance fee within 30 days after the
243		County notifies the applicant, the grant is void. The franchisee must
244		not act under the franchise until the franchisee complies with the
245		bond, insurance, and other prerequisites of the franchise agreement.
246	8A-10.	Insurance; bond; indemnification.
247	(a)	A franchisee must have the following insurance coverage in force at
248		all times during the franchise period:
249		* * *
250		All insurance policies must be with sureties qualified to do business in
251		Maryland and in a form approved as to legality by the County
252		Attorney. The County may accept a self-insurance plan that assures
253		comparable protection in lieu of these insurance policies.
254		* * *
255	8A-11.	Minimum facilities and services.
256	(a)	The following minimum requirements for facilities and services apply
257		to all franchises:
258		* * *
259		(2) A cable system must provide at least 6 access channels, which
260		[will] <u>must</u> be individually designated by the County for public,
261		educational or governmental access. The County may require

262		the franchisee to contribute to capital costs for access studios
263		and related equipment and facilities, as permitted by federal
264		<u>law</u> .
265		* * *
266		(4) Service to all public buildings <u>without charge</u> may be [required]
267		[without charge as set forth] negotiated in the franchise
268		agreement.
269		* * *
270	(b)	The County may [require that a] negotiate franchise [exceed] terms
271		exceeding the minimum requirements [set forth] in subsection (a).
272		* * *
273	8A-12.	Franchise fee.
274	(a)	A franchisee, in consideration of the privilege granted under a
275		franchise for the use of public rights-of-way to construct and operate a
276		cable system, must pay the County 5 percent of the franchisee's gross
277		revenues from the operation of its cable system to provide cable
278		service [within] in its franchise area during the period of its franchise.
279		A franchisee must pay the franchise fee due to the County for the
280		preceding quarter within 30 days [of] after the end of that quarter.
281		* * *
282	(d)	A franchisee must file within 3 months [of] after the end of its fiscal
283		year the franchisee's annual financial statements for the preceding
284		year either certified by an authorized officer of the franchisee or an
285		affiliate or audited by a certified public accountant. The franchisee
286		[will] <u>must</u> bear the cost of the preparation of all financial statements.
287	(e)	The County may inspect and audit any books and records, and
288		recompute any amounts determined to be payable under the franchise.

However any audit to recompute franchise fees must take place within [12] 36 months [following the close] after the end of the franchisee's fiscal year. The franchisee must bear the cost of the audit [will be borne by the franchisee] if the annual payment to the County for the preceding year is increased by more than 5 percent as a result of the audit.

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8A-14. Customer service requirements.

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(d) A franchisee must provide each subscriber at the time cable service is installed written instructions for placing a service call, filing a complaint, or requesting an adjustment. These instructions must include the name, address, and telephone number of the County office designated to handle subscriber complaints. Each subscriber must also be provided with a schedule of the subscriber's rates and charges, a copy of the service contract, delinquent subscriber disconnect and reconnect procedures, and a description of any other relevant franchisee subscriber policies. The franchisee must provide to the County [must approve] a copy of all forms describing customer service policies and procedures [before] when they are distributed to subscribers. All forms must be conspicuously posted in the franchisee's local business office.

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8A-15. Service discrimination and exclusive programming agreements prohibited.

(a) Unless approved by the County and to the extent consistent with federal law, a franchisee must not, in its <u>cable service</u> rates or charges,

or in the availability of [the] <u>its cable</u> services [or facilities of its system], or in any other respect, grant undue preferences or advantages to any subscriber or potential subscriber, or to any user or potential user, nor subject any of these persons to any undue prejudice or any disadvantage. [A franchisee must] <u>Unless prohibited by applicable federal law, the County may require the franchisee to have a uniform rate structure for its <u>cable</u> services throughout the franchise area. A franchisee must not deny, delay, or otherwise burden service or discriminate against subscribers or users on the basis of age, race, religion, color, sex, sexual orientation, handicap, national origin, or marital status, except for discounts for the elderly and handicapped.</u>

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8A-18. Technical standards.

(a)

Any cable system constructed [within] <u>in</u> the County must meet or exceed the technical standards [in this Chapter, the franchise agreement, and the franchisee's application] <u>under applicable law</u>. [All video channels in a cable system must be capable of delivering National Television Systems Committee (NTSC) color and monochrome standard signals and designed to provide picture quality of TASO grade 2 or better and superior reliability. For purposes of this Chapter, a TASO grade 2 picture is one with barely visible interference that does not detract from viewing.] All television signals transmitted on a cable system must include any closed captioning information for the hearing impaired. Antennas, supporting structures, and outside plant used in the <u>cable</u> system must comply with the recommendations of the Electronics Industries Association and applicable federal and local regulations on tower structures and outside plant.

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344	(c)	The franchisee must perform at its expense proof of performance tests
345		designed to demonstrate compliance with the requirements of [this
346		Chapter, the franchise agreement, the FCC requirements] applicable law
347		at the stages of construction specified in the franchise agreement. The
348		franchisee must provide the proof of performance test results promptly
349		to the County.
350		* * *
351	[(f)	A franchisee must not design, install or operate its facilities in a manner
352		that will interfere with the signals of any broadcast station, the electrical
353		system located in any building, the cable system of another franchisee,
354		or individual or master antennas used for receiving television or other
355		broadcast signals.]
356		* * *
357	8A-20.	Enforcement Remedies.
358	(a)	If a franchisee violates any provision of the law or its franchise
359		agreement, the County may take one or more of the following actions:
360		(1) impose liquidated damages in the amount, whether per day,
361		incident, or other measure of violation, as provided in the
362		franchise agreement. Payment of liquidated damages by the
363		franchisee will not relieve the franchisee of its obligation to
364		meet the franchise requirements;
365		[(2) reduce the duration of the franchise on any basis the County
366		determines is reasonable and affords the franchisee reasonable
367		due process;]

368		[3] (2) require the franchisee to pay its subscribers or classes of
369		subscribers in an amount and on a basis the County determines
370		is necessary to cure the breach or default, or equitably
371		compensate for the violation; or
372		[4] (3) revoke the franchise under this Chapter.
373		* * *
374	8A-22.	Renewal of franchise.
375		* * *
376	(h)	If the County denies the renewal of a franchise, and the franchisee does
377		not have other authority to maintain and operate its facilities in the
378		County's public rights-of-way, the County may, on the recommendation
379		of the County Executive and with the approval of the Council, acquire
380		ownership of the cable system or transfer ownership of the system to
381		another person, subject to applicable law. Any acquisition or transfer
382		under this subsection must be at fair market value, determined on the
383		basis of the cable system valued as a going concern but with no value
384		allocated to the franchise itself, subject to applicable law.
385	(i)	If the County does not renew a franchise and the franchisee does not
386		have other authority to maintain and operate its facilities in the County's
387		public rights-of-way, and the County does not buy the cable system, the
388		County may require the former franchisee to remove its facilities and
389		equipment, subject to applicable law. If the former franchisee fails to
390		do so within a reasonable period of time, the County may remove the
391		facilities and equipment at the former franchisee's or the surety's
392		expense or at the expense of both, subject to applicable law.

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- (c) An application for transfer of an interest in a franchisee must describe the proposed transaction in detail and identify the interest to be transferred, the transferor, and transferee. If the proposed transferee is not a current equity owner of the franchisee, the application must include the information required by [section] <u>Sections</u> 8A-8(e)(1) [through] and (2).
- (d) An application for a transfer must provide all documents and information related to the transaction and to the financial position of the cable system before and after the proposed transaction.
- [(d)] (e) A public hearing must be held on an application for transfer of an interest in a franchisee of 25 percent or more.
- [(e)] (f) Before approving transfer of a franchise, the County must consider the legal, financial, technical and character qualifications of the transferee to operate the system, and whether operation by the proposed franchisee will adversely affect the cable services to subscribers or otherwise be contrary to the public interest. Before approving a transfer of an interest in a franchisee, the County must consider whether the transferee's interest will have any effect on the franchisee's operation of the system, the franchisee's qualifications, or the public interest.
- [(f)] (g) The Council must take final action on an application for transfer of a franchise after receiving recommendation from the County Executive.

417		The County Executive may take final action on an application for
418		transfer of an interest.
419	[(g)]	(<u>h</u>) Approval by the County of a transfer of a franchise does not
420		constitute a waiver or release of any of the rights of the County under
421		this Chapter or the franchise agreement, arising before or after the date
422		of the transfer. A transfer does not waive or release any non-
423		performance that occurred before the transfer. All previous non-
424		performance becomes the responsibility of the new franchisee unless
425		the County otherwise agrees.
426	[(h)]	(i) The County may impose a grant fee to cover its costs in excess of
427		the filing fee in considering an application for transfer of a franchise,
428		except for the transfer of any franchise granted [prior to] before
429		January 1, 1988.
430	<u>(j)</u>	Any entity guaranteeing the performance of a franchisee may apply to
431		the County for release of the guarantee if:
432		(1) The franchisee has, for 5 consecutive years, complied with the
433		franchise agreement and this Chapter; and
434		(2) A guarantor which controls the franchisee promises to not
435		interfere with the franchisee's performance of its obligations
436		under the franchise agreement and this Chapter.
1 30		under the framemise agreement and this enapter.
437		* * *
438	8A-24.	Revocation or termination of franchise.
439		* * *

440	[(d)	The County may revoke any franchise 120 days after an assignment
441		for the benefit of creditors or the appointment of a receiver or trustee
442		to take over the business of the franchisee, whether in a receivership,
443		reorganization, bankruptcy assignment for the benefit of creditors, or
444		other action or proceeding. The County must hold a public hearing
445		before revoking a franchise under this subsection. The County may
446		not revoke a franchise under this subsection if, during the 120 day
447		period:
448		(1) the assignment, receivership, or trusteeship is vacated; or
449		(2) the assignee, receiver, or trustee has fully complied with the
450		terms and conditions of this Chapter and the franchise
451		agreement and has executed an agreement, approved by the
452		court having jurisdiction, assuming and agreeing to be bound
453		by the terms, and conditions of the franchise.]
454	[(e)	The County may revoke the franchise if there is a foreclosure or other
455		judicial sale of any of the facilities, equipment or property of a
456		franchisee, by serving notice on the franchisee and the successful
457		bidder at the sale. The franchise and all rights and privileges of the
458		franchise will be revoked 30 days after the County serves notice under
459		this subsection unless:
460		(1) the County has approved a transfer of the franchise; and
461		(2) the successful bidder has agreed with the County to assume and
462		be bound by the terms and conditions of the franchise.]
463	[(f)]	(d) If the County revokes a franchise, or if for any other reason a
464		franchisee abandons, terminates, or fails to operate or maintain service

to its subscribers, and the franchisee does not have other authority to

466		maintain and operate its facilities in the County's public rights-of-way,		
467		the County may, subject to applicable law:		
468		(1) require the former franchisee to remove its facilities and		
469		equipment at the franchisee's or surety's expense, or at the		
470		expense of both, after determining that the cable system cannot		
471			be economically maintained and operated;	
472		(2)	acquire ownership of the cable system at an equitable price on	
473			the recommendation of the County Executive and with the	
474			approval of the Council;	
475		(3)	after a public hearing, sell, assign, or transfer all or part of the	
476		assets of a cable system abandoned by a franchisee for the best		
477		price offer obtainable. However, the legal, character, financial,		
478			technical, and other qualifications of the purchaser must meet	
479		County approval. The County must pay any consideration		
480		received in excess of the County's costs, and after other		
481		creditors and subscriber claims have been satisfied, to the		
482		original franchisee.		
483	[8A-25.	County purchase of cable system; eminent domain.		
484	(a)	The C	County may, upon the recommendation of the County Executive	
485		and with the approval of the Council, acquire ownership of and		
486		opera	te a cable system. Any acquisition, construction, or operation of	
487		a cable system by the County is not subject to the requirements of		
488		Chapt	ter 11B.	
489	(b)	If the	County exercises its right to purchase a cable system under this	
490		Chapt	ter or a franchise agreement, and the County and franchisee are	
491		unable to agree on a price for the purchase of the system, the price		
492		may l	be determined by arbitration. Upon written notice by either the	

County or the franchisee to the other, the dispute must immediately be put to arbitration under the rules and procedures of the American Arbitration Association. The County and the franchisee will each select a qualified arbitrator. The 2 persons selected must select a third qualified arbitrator, and the 3 arbitrators constitute a panel whose decision is binding on both parties. The fees of the first 2 arbitrators must be paid by the party selecting that person. The County and the franchisee must each pay one-half of the compensation of the third person. The general costs of the proceeding must be shared equally by the County and the franchisee.

(c) Notwithstanding any other provisions of this Chapter, the County and each participating municipality reserve the right to exercise the power of eminent domain to acquire the property of any cable system of any franchisee and to purchase, own, or operate a system so acquired consistent with state and federal law]

[8A-26] <u>8A-25</u>. Continuity of service mandatory.

- (a) [It is the right of all] <u>All</u> subscribers <u>have the right</u> to receive all available <u>cable</u> services from the franchisee if their financial and other obligations to the franchisee are satisfied.
- (b) If the franchise is terminated or transferred, the franchisee must do everything in its power to ensure that all subscribers receive continuous, uninterrupted <u>cable</u> service. The franchisee must cooperate with the County to operate the system for a transition period [following] <u>after</u> termination or transfer as necessary to maintain continuity of <u>cable</u> service to all subscribers. The transition period must not exceed 12 months without the franchisee's written consent. During the transition period, the cable system must be operated under

520		terms and conditions to which the County and the franchisee agree, or
521		on such other terms and conditions that will continue, to the extent
522		possible, the same level of <u>cable</u> service to subscribers and that will
523		provide reasonable compensation to the cable operator.
524	(c)	If the franchisee discontinues service to its subscribers without
525		County approval, the franchise may be terminated immediately, and,
526		if the franchisee does not have other authority to maintain and operate
527		its facilities in the County's public rights-of-way, the County may
528		take possession of all facilities and property, real and personal, related
529		to the cable system for the purpose of operating the system. The
530		County may undertake such operation itself or authorize operation by
531		a contractor.
532	[8A-27] <u>8A</u>	-26. Unlawful solicitation or acceptance of gifts.
533		* * *
534	[8A-28] <u>8A</u>	-27. Use of cable funds; Cable Communications Plan.
535		* * *
536	[8A-29] <u>8A</u>	-28. Administration.
537		* * *
538	(b)	The County Executive must administer and enforce this Chapter and
539		any franchise agreement, including:
540		* * *
541		(2) except as provided in Section [8A-31A] <u>8A-31</u> , establishing
542		procedures for conducting public hearings and other proceedings
543		required by this Chapter or a franchise agreement;
544		(3) except as provided in Section [8A-31A] <u>8A-31</u> , conducting
545		public hearings, including designating hearing officers;
546		* * *

547	(d)	Any action by the County Executive that requires approval of the
548		Council is deemed approved by the Council unless disapproved within
549		60 days [from the date] after the Council receives the County
550		Executive's recommended action. The 60-day period does not include
551		any week when the Council does not meet in regular session. The
552		Council by resolution may extend the deadline for action [. The
553		Council may extend the deadline for action on an application for a
554		new franchise for an overbuild] for no more than one additional 60-
555		day period.
556		* * *
557	[8A-30] <u>8A</u>	-29. Municipal participation.
558		* * *
559	[8A-31] <u>8A</u>	-30. [Telecommunications] <u>Cable</u> <u>and</u> <u>Communications</u>
560		Advisory Committee.
561		* * *
562	[8A- 31A] <u>8</u>	8A-31. Cable Compliance Commission.
563	(a)	Established. The Cable Compliance Commission is established to
564		adjudicate subscriber complaints involving customer cable service [or
565		any other product or service] and other consumer protection claims
566		within the County's jurisdiction as authorized by regulation.
567		* * *
568	Sec. 2	2. Expedited Effective Date. The Council declares that this

Sec. 2. Expedited Effective Date. The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on the date when it becomes law.

571 **Sec. 3. Repeal of sunset.** 2002 L.M.C., Chapter 31, Section 4, as amended 572 by 2005 L.M.C., Chapter 14, Section 2, is repealed as follows:

573	[Sec. 4.	Expiration date.			
574	This Act expires on December 31, 2008.]				
575	Approved:				
576					
	George L. Lever	nthal, President, County Council	Date		
577	Approved:				
578					
579					
	Douglas M. Dur	can, County Executive	Date		
580	This is a correct	copy of Council action.			
581					
582					
	Linda M. Lauer,	Clerk of the Council	Date		